

Preliminary for Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

FEBRUARY 25, 2008

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Charles Garrett, Real Property Administration
Jurgen Bailey, Real Property Administration
Janie Porter, Attorney General's Office
John Carr, Finance & Administration
Cindy Liddell, Bond Finance
Jerry Preston, Tennessee Board of Regents
Alvin Payne, University of Tennessee
Mark Wood, Secretary of State's Office
Jeanne Sugg, Secretary of State's Office
Mark Cherpack, Department of Finance and
Administration
Nancy Blevins, Department of Finance and
Administration
Nick DePalma, Real Property Administration
Kem Hinton, Tuck Hinton Architects
Jim Fyke, Department of Environment and
Conservation

Commissioner Goetz called the meeting to order at 10:35 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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CONSENT AGENDA

Approved the following real property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Robertson County
Transaction: Disposal in Fee
Provision: Waiver of Advertisement & Appraisal
- B. Agency: Department of Environment & Conservation – Grundy County
Transaction: Acquisition / Disposal in Fee
Provision: Waiver of Advertisement & Appraisal
- C. Agency: Department of Environment & Conservation – Maury County
Transaction: Lease Agreement
- D. Agency: Tennessee Wildlife Resources Agency – Fayette/Shelby County
Transaction: Acquisition in Fee
- E. Agency: Tennessee Wildlife Resources Agency – Fayette/Shelby County
Transaction: Acquisition in Fee
- F. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
Provision: Waiver of Real Estate Management Fees
- G. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
Provision: Waiver of Real Estate Management Fees
- H. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
Provision: Waiver of Real Estate Management Fees
- I. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in Fee
- J. Agency: Department of Agriculture – Bledsoe County
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisal

- K. Agency: Finance & Administration for Mental Retardation Services – Greene County
Transaction: Acquisition in Fee
- L. Agency: Commission on Aging & Disability – Davidson County
Transaction: Lease Agreement
- M. Agency: Department of Economic & Community Development – Knox County
Transaction: Lease Agreement
- N. Agency: Board of Probation & Parole – Weakley County
Transaction: Lease Agreement
- O. Agency: Tennessee Emergency Management Agency – Sumner County
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- P. Agency: Department of Safety DLI & THP – Cumberland County
Transaction: Lease Agreement
- Q. Agency: Department of Safety DLI & THP – Hardin County
Transaction: Lease Agreement
- R. Agency: Department of Safety DLI & THP – Rutherford County
Transaction: Lease Agreement
- S. Agency: Department of Human Services/TVTC – Putnam County
Transaction: Lease Agreement
- T. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Demolition – Six Houses (SBC No. 166/003-01-2008)
- U. Agency: University of Tennessee – Knox County
Transaction: Demolition – Several Structures (SBC No. 540/009-04-2007)

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ONE APPRAISAL as required by T.C.A. 4-15-102 and 12-2-112: Also REQUESTING APPROVAL to CANCEL LEASE with the HASSEL CHARITABLE FOUNDATION.

Description: Wayne County – 450+/- acres – Bear Trace Golf Course located at Ross Creek, 110 Airport Road, Clifton, TN – Trans. No. 07-03-003 (JB)

Purpose: Disposal in Fee

Sale Price: \$2,150,000.00

Grantee: Newburg Properties, Inc / Fred H. Gillham, Sr.

Comment: Property owned by Hassel Charitable Foundation under Deed of Trust will also be sold along with State owned property.

SSC Report: 2-19-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 02-25-08. Charles Garrett presented the transaction. Subcommittee discussed the issue surrounding the value of the escrow account and the building currently being utilized by Tennessee Board of Regents. Without objection, the request was approved as presented.

After approval, Treasurer Sims discussed the need for the Commission to be able to apply special treatment for special property projects, such as the instant case, which would allow the Subcommittee to not be restricted by their normal commercial process. He referenced projects, such as Chancellors' residences, that might fall in such a category. They asked Mr. Garrett if he would look into the matter.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, & DEMOLISH the HOUSE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Washington County – 912 West Maple Street, Johnson City, TN – Trans. No. 08-01-007 (AM)</u>
Purpose:	Acquisition in fee to proposed site for parking garage and fine arts projects.
Source of Funding:	Campus Plant Funds
Estimated Cost:	\$130,000.00
Owner(s):	James Hartsell
SSC Report:	2-19-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	02-25-08. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

BOARD OF PROBATION & PAROLE

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Williamson County – 426 Century Court, Suite 100, Franklin, TN – 07-01-915 (RS)**

Purpose: To provide additional office space.

Term: November 1, 2008 thru October 31, 2018 (10 yrs)

Proposed Amount:	<u>4,268 Square Feet</u>		
	Average Annual Contract Rent:	\$88,048.84	@\$20.63/sf
	Est. Annual Utility Cost:	\$ 5,975.20	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,694.80</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$98,718.84	@\$23.13/sf

Current Amount:	<u>3,720 Square Feet</u>		
	Average Annual Contract Rent:	\$76,762.14	@\$20.63/sf
	Est. Annual Utility Cost:	\$ 5,208.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,092.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$86,062.14	@\$23.13/sf

Type: Amendment #1

FRF Rate: \$18.00

Purchase Option: No – Multi tenant

Lessor: Grumpy's Enterprise, LLC

Comment: Lessor shall provide additional 548 rsf to the existing facility for additional space. All terms and conditions remain the same has the lease.

SSC Report: 02-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 02-25-08. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

TENNESSEE STATE VETERANS HOME BOARD

WEST TENNESSEE VETERANS HOME, HUMBOLDT, TENNESSEE

- 1) Mr. Fitts presented a request that had been referred by the full Commission for approval of a revision in scope and funding and acknowledgment of the source of funding from \$303,000.00 to \$553,000.00 (\$250,000.00 increase) of a project for **Healthcare Upgrades** to include chiller and boiler replacements at West Tennessee Veterans Home, Humboldt, Tennessee. He further asked for approval to utilize Direct Contracting for the added work, as needed. After discussion, the Subcommittee approved the request as presented.

Revised Estimated Project Cost: **\$553,000.00**
SBC Project No. 680/000-01-2008

DEPARTMENT OF FINANCE AND ADMINISTRATION

NEW LIBRARY AND ARCHIVES BUILDING, NASHVILLE, TENNESSEE

- 1) Mr. Fitts presented a request for the Executive Subcommittee to recommend to the full Commission that they approve the establishment of a sole source contract with HK Systems for the design, installation and maintenance of an automated storage and retrieval system, and with Diamond Phoenix Corporation for the design and installation of an automated storage carousel system, and approval to contract with these two contractors for initial design services for the **New Library and Archives Building**, Nashville, Tennessee. He introduced Nick DePalma and Kem Hinton who made a brief presentation. Questions were asked as to whether any part of this system can be competitively bid. Mr. Hinton responded that the shelving and storage bins, which are a part of the automated storage, will be competitively bid. After further discussion, the Subcommittee concurred with recommending the request to the full Commission for approval.

SBC Project No.

529/043-01-2005

SPECIAL ITEM

- 1) Mr. Fitts presented the draft **Sustainable Design Guidelines** (SDG) to the Subcommittee for their recommendation to the full Commission for approval. He stated that this system would provide guidelines for departments and agencies and their designers to address the issue of sustainable design for State of Tennessee projects. He said the guidelines would provide a format, developed in a similar approach as the LEED program, yet tailored to Tennessee and its interest in providing quality sustainable design in an economical and environmental friendly manner. He said the intent was to address all projects regardless of size and scope. He added that the level of requirements would be equivalent to any existing published minimum standards for green design and would be a platform to readily convert to a LEED certified program if the State so desired. He stated that the SDG taskforce would remain intact for awhile to assess a sampling of projects, which would incorporate the guidelines, and would update the Subcommittee of its progress. Treasurer Sims asked when these guidelines will be implemented. Mr. Fitts responded that he would recommend that the SDG will be used on all newly approved projects and implemented on current projects on a case-by-case basis. After general discussion, the Subcommittee concurred with recommending the guidelines to the full Commission for approval.

SBC Project No.

529/000-01-2007

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on January 22, 2008.

CONSENT AGENDA ITEMS

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property WAIVER of ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Robertson County - 0.119 +/- acres (20 x 260) – UT Highland Rim Research & Education Center, Springfield, TN – Trans. No. 06-10-007 (GM)</u>
Purpose:	Disposal in Fee for an additional track (passing track). Additional track will allow CSX to park trains when necessary and will allow other trains to pass.
Original Cost to State:	Unknown
Date of Original Conveyance:	1954
Grantor Unto State:	Unknown
Estimated Sale Price:	Fair Market Value
Grantee:	CSX Transportation, Inc.
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.
Further approval:	Requesting WAIVER OF ADVERTISING.
SSC Report:	02-19-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda
SC Action:	02-25-08. Subcommittee approved the request as presented.

B.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE / DISPOSAL or ACCEPT as GIFT, required interest in the following real property, WAIVER OF ADVERTISEMENT not to exceed the appraised value for the property being acquired:

Description: Grundy County – 3.0 +/- acres (Acquisition) / 3.0 +/- acres (Disposal), South Cumberland State Park, Monteagle, TN – Trans. No. 07-05-032 (GM)

Purpose: Acquisition / Disposal in Fee for equal value exchange requested by adjoining property owner to accommodate barn expansion.

Source of Funding: Adjoining owner to pay all related costs

Estimated Cost: Fair Market Value

Owner(s): Bobby Wiggins

SSC Report: 06-18-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 06-25-07. Subcommittee approved the transaction as presented.

Further approval: **Requesting WAIVER ONE APPRAISAL FOR DISPOSAL.**

SSC Report: 2-19-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

C.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Maury County – Lot at College Park Drive, Columbia, TN – Trans. No. 07-04-922 (RS)

Purpose: To provide office space fir their Regional Field Office and LEED Certified.

Term: July 1, 2009 thru June 30, 2019 (10 yrs.)

Proposed Amount:	<u>17,000 Square Feet</u>		
	Annual Contract Rent:	\$238,000.00	@ \$ 14.00/sf
	Est. Annual Utility Cost:	\$ 23,800.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 18,700.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$280,500.00	@ \$16.50/sf

Current Amount:	<u>13,364 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$108,774.00</u>	<u>@ \$8.14/sf</u>
	Total Annual Effective Cost:	\$108,774.00	@ \$8.14/sf

Type: New Lease – Received three (3) proposals from three (3) proposers.

FRF Rate: \$18.00

Purchase Option: Yes – 1 thru 10 yrs.

Lessor: Hearthwood Properties, LLC, new lessor

Comment: Ten (10) year lease with a purchase option for a stand alone build-to-suit facility that will be LEED Certified. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

D.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Fayette/Shelby County – 177.35 +/- acres –Lagrange/Collierville, TN – Trans. No. 07-06-004 (RJ)

Purpose: Acquisition in Fee for the purpose is to acquire 915.1754 +/- acres by gift located in the Wolf River WMA.

Source of Funding: TWRA

Estimated Cost: Gift

Owner(s): Shelby County

SSC Report: 07-16-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-23-07. Subcommittee approved the transaction as presented. Final action.

Further approval: The property being donated is owned by Shelby County and the City of Memphis for the benefit of the Chickasaw Basin Authority. All three entities favor conveying property to TWRA'S jurisdiction.

SSC Report: 2-19-08. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

E.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Fayette/Shelby County – 193.76 +/- acres –Lagrange/Collierville, TN – Trans. No. 07-06-005 (RJ)

Purpose: Acquisition in Fee for the purpose is to acquire 915.1754 +/- acres by gift located in the Wolf River WMA.

Source of Funding: TWRA

Estimated Cost: Gift

Owner(s): Shelby County

SSC Report: 07-16-07. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-23-07. Subcommittee approved the transaction as presented. Final action.

Further approval: **The property being donated is owned by Shelby County and the City of Memphis for the benefit of the Chickasaw Basin Authority. All three entities favor conveying property to TWRA'S jurisdiction.**

SSC Report: 2-19-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

F.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF REAL ESTATE MANAGEMENT FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3605 Watauga Avenue, Memphis, TN – Trans. No. 07-10-017 (AM)</u>
Purpose:	Acquisition in fee for the future enhancement of the University's Master Plan.
Source of Funding:	Land Acquisitions Funds / Local Funds
Estimated Cost:	\$143,000.00 per appraisal
Owner(s):	East Memphis Land Company, LLC
SSC Report:	2-19-08. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	02-25-08. Subcommittee approved the request as presented.

G.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REAL ESTATE MANAGEMENT FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3609 Watauga Avenue, Memphis, TN – Trans. No. 07-10-018 (AM)</u>
Purpose:	Acquisition in fee for the future enhancement of the University's Master Plan.
Source of Funding:	Land Acquisitions Funds / Local Funds
Estimated Cost:	\$145,000.00 per appraisal
Owner(s):	East Memphis Land Company, LLC
SSC Report:	2-19-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	02-25-08. Subcommittee approved the request as presented.

H.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REAL ESTATE MANAGEMENT FEES, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3580 Watauga Avenue, Memphis, TN – Trans. No. 07-11-001 (AM)</u>
Purpose:	Acquisition in fee for the future enhancement of the University's Master Plan.
Source of Funding:	Land Acquisitions Funds / Local Funds
Estimated Cost:	\$184,000.00 per appraisal
Owner(s):	Jerome & Patricia Obermark
SSC Report:	2-19-08. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	02-25-08. Subcommittee approved the request as presented.

I.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 220 Wilson Avenue, Murfreesboro, TN – Trans. No. 08-02-003 (AM)</u>
Purpose:	Acquisition in fee for the future enhancement of the University's Master Plan.
Source of Funding:	Auxiliary Funds
Estimated Cost:	\$200,000.00
Owner(s):	Ruther Shiver Bowdoin
SSC Report:	2-19-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	02-25-08. Subcommittee approved the request as presented.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Bledsoe Co. – approx. 5.6+/- acres (12,279 ft long by 20 ft wide) in the Pikeville Community, Pikeville, TN – Trans. No. 07-10-029 (RJ)</u>
Purpose:	Disposal by easement to Fall Creek Utility District to install waterline to extend and upgrade water supply to northeast Bledsoe and east central Van Buren Counties.
Estimated Sale Price:	Market Value
Grantee:	Fall Creek Utility District
Comment:	TDF Forestry is requesting 2 fire hydrants be place at the corners of Saratoga Springs and Bledsoe Forest Road.
SSC Report:	2-19-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	02-25-08. Subcommittee approved the request as presented.

K.

FINANCE AND ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE the required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Greene County – 1.73+/- acres located on Delzie Randolph Road, Chuckey, TN. – Trans. No. 07-11-002 (JB)

Purpose: Acquisition in Fee to construct ICF/MR homes.

Funding: SBC# 346-000-05-2005

Cost: \$37,500.00

Owner: Vickie Marie Lamb

SSC Report: 2-19-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

COMMISSION ON AGING & DISABILITY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 1321 Murfreesboro Road, Nashville, TN – Trans. No. 07-08-906 (AL)

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs.)

Proposed Amount: 14,784 Square Feet
Annual Contract Rent Incl. Annual
Utility & Janitorial Cost: \$210,000.00 @\$14.20/sf
Total Annual Effective Cost: \$210,000.00 @\$14.20/sf

Current Amount: Andrew Jackson Bldg.

Type: New lease – Received six (6) proposals from six (6) proposers.

FRF Rate: \$18.00

Purchase Option: No – multi tenant

Lessor: Airport Plaza, LLC

Comment: Ten (10) year lease with no purchase option multi-tenant property. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Lessor to furnish utility & janitorial services at no additional cost to the State.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – 5401 Kingston Pike, Building 2, Suite 210, Knoxville, TN – Trans. No. 07-07-901 (JS)

Purpose: To provide office space for the East Tennessee Local Planning Office.

Term: May 1, 2008 thru April 30, 2013 (5 yrs)

Proposed Amount:	<u>4,686 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$62,100.00</u>	<u>@\$13.25/sf</u>
	Total Annual Effective Cost:	<u>\$62,100.00</u>	<u>@\$13.25/sf</u>

Current Amount:	<u>4,686 Square Feet</u>		
	Annual Contract Rent Incl annual Utility		
	& Janitorial Cost:	<u>\$55,810.32</u>	<u>@\$11.91/sf</u>
	Total Annual Effective Cost:	<u>\$55,810.22</u>	<u>@\$11.91/sf</u>

Type: New Lease – Received only one (1) proposal from the current lessor.

FRF Rate: \$18.00

Purchase Option: No – Multi tenant

Lessor: Twelve Oaks of Knoxville, LLC, current lessor

Comment: Five (5) year lease with no purchase option multi-tenant property. No cancellation for the first five (5) years except for cause and/ or lack of funding. Lessor will install new carpet and paint interior at no additional cost to the State.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

N.

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Weakley County – 2073 Evergreen Street, Dresden, TN – Trans. No. 07-04-920 (AL)

Purpose: To provide office space for the county operations.

Term: January 1, 2009 thru December 31, 2018 (10 yrs.)

Proposed Amount:	<u>4,767 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$39,720.00</u>	<u>@\$8.33/sf</u>
	Total Annual Effective Cost:	<u>\$39,720.00</u>	<u>@\$8.33/sf</u>

Current Amount:	<u>5,274 Square Feet</u>		
	Annual Contract Rent:	\$28,800.00	@\$5.46/sf
	Est. Annual Utility Cost:	\$ 7,383.60	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,801.40</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	<u>\$41,985.00</u>	<u>@\$7.96/sf</u>

Type: New Lease – Received four (4) proposals from two (2) proposers.

FRF Rate: \$14.00

Purchase Option: No – Investment

Lessor: FROG Properties, new lessor

Comment: Ten (10) year lease with no purchase option. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Lessor shall provide interior build out at no additional cost to the State.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

TENNESSEE EMERGENCY MANAGEMENT AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Sumner County – Westgate Business Park, 128 Distribution Parkway, Portland, TN – Trans. No. 08-02-908 (BK)

Purpose: To provide 3,000 sf office & 50,000 sf warehouse space for emergency relief.

Term: February 13, 2008 thru May 12, 2008 (3 mons)

Proposed Amount: 53,000 Square Feet

Annual Contract Rent Incl. Annual
Utilities & Janitorial Cost:

	<u>\$228,000.00</u>	<u>\$4.30/sf</u>
Total Annual Effective Cost:	\$228,000.00	\$4.30/sf

Current Amount: NONE

Annual Contract Rent:

Type: New Emergency Lease

FRF Rate: \$7.50

Purchase Option: No

Lessor: Distribution Plus, LLC

Comment: Three (3) month lease with the option to renew the lease for additional three (3) months if needed. Option to rent an additional 50,000 sf at the same rate. Lessor to furnish all utilities & janitorial services and the State will reimburse the lessor. Cost for the three (3) months is \$19,000 per month.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY DLI & THP

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Cumberland County – 136 Dooley Street, Suite 101, Crossville, TN – Trans. No. 07-05-901 (AL)

Purpose: To provide office space for DLI & THP

Term: January 1, 2009 thru December 31, 2018 (10 yrs.)

Proposed Amount:	<u>6,400 Square Feet</u>		
	Annual Contract Rent:	\$73,600.00	@\$11.50/sf
	Est. Annual Utility Cost:	\$ 8,960.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,040.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$89,600.00	@\$14.00/sf

Current Amount:	<u>2,000 Square Feet</u>		
	Annual Contract Rent:	\$12,480.00	@\$6.24/sf
	Est. Annual Utility Cost:	\$ 2,800.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,200.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$17,480.00	@\$8.74/sf

Type: New Lease – Received three (3) proposals from three (3) prospers.

FRF Rate: \$14.00

Purchase Option: No – multi tenant

Lessor: Paul Gaw, current lessor

Comment: Ten (10) year lease with no purchase option. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Lessor shall provide a new built to suit building and interior build out at no additional cost to the State.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

Q.

DEPARTMENT OF SAFETY DLI & THP

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Hardin County – 880 Pickwick Street, Savannah, TN – Trans. No. 07-04-917 (AL)

Purpose: To provide office space for DLI & THP operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs.)

Proposed Amount:	<u>5,800 Square Feet</u>		
	Annual Contract Rent:	\$87,000.00	@\$15.00/sf
	Est. Annual Utility Cost:	\$ 6,380.00	@\$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,380.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$99,760.00	@\$17.20/sf

Current Amount:	<u>1,866 Square Feet</u>		
	Annual Contract Rent:	\$22,392.00	@\$12.00/sf
	Est. Annual Utility Cost:	\$ 2,612.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,052.60</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$27,057.00	@\$14.50/sf

Type: New Lease – Received four (4) proposals from two (2) proposers.

FRF Rate: \$14.00

Purchase Option: No – multi tenant

Lessor: Gil Parrish, current lessor

Comment: Ten (10) year lease with no purchase option. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Lessor is to provide sewer/water. Lessor shall provide interior build out at no additional cost to the State.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

R.

DEPARTMENT OF SAFETY DLI & THP

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Rutherford County – 1035 Samsonite Blvd., Murfreesboro, TN – Trans. No. 07-05-906 (RS)

Purpose: To provide office space for DLI & THP county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs.)

Proposed Amount:	<u>8,700 Square Feet</u>		
	Annual Contract Rent:	\$ 89,700.00	@\$10.31/sf
	Est. Annual Utility Cost:	\$ 12,180.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 9,570.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$111,450.00	@\$12.81/sf

Current Amount:	<u>4,800 Square Feet</u>		
	Annual Contract Rent:	\$44,900.00	@\$ 9.35/sf
	Est. Annual Utility Cost:	\$ 6,720.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,280.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$56,900.00	@\$11.85/sf

Type: New Lease – Received three (3) proposals from three (3) proposers. Lowest proposal is from the current lessor.

FRF Rate: \$18.00

Purchase Option: Yes – 1 thru 10

Lessor: Pedigo-Rutherford Properties, LP, current lessor

Comment: Ten (10) year lease with purchase option. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Lessor shall add an additional on the existing building of 3,900 rsf. and provide interior build out at no additional cost to the State.

SSC Report: 2-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 02-25-08. Subcommittee approved the request as presented.

S.

DEPARTMENT OF HUMAN SERVICES / TVTC

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Putnam County – Summerfield Road, Cookeville, TN – Trans. No. 07-09-906

Purpose: To provide office/shop/warehouse space for Tennessee Vocational Rehab Center

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount: 20,500 Square Feet

Annual Contract Rent:	\$241,404.00	@\$11.78/sf
Est. Annual Utility Cost:	\$ 28,700.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 22,550.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$292,654.00	@\$14.28/sf

Current Amount: 9,504 Square Feet

Annual Contract Rent Incl. Janitorial Cost:	\$39,500.00	@\$4.16/sf
Est. Annual Utility Cost:	<u>\$13,306.00</u>	<u>@\$1.40/sf</u>
Total Annual Effective Cost:	\$52,806.00	@\$5.56/sf

Type: New Lease – Negotiated

FRF Rate: \$18.00 per square foot

Lessor: Putnam County Executive

Comment: This lease was previously approved by SBC 9/27/07. Lessor has not signed original lease and wishes to make the following modifications: 1) Remove paragraph 15 clause Termination for Convenience, and 2) Paragraph 12A, lessor will not be responsible for providing light bulbs and air filters.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

- Further Approval Requested: Previously approved modified lease has not been returned signed by the lessor. Request to increase funding \$303,500.00 to be paid over the ten (10) lease term. Site preparation costs are higher than anticipated due to the discovery of an underground spring. This would be an increase of \$1.48/sf, resulting in Annual Contract Rent of \$271,754.00 @ \$13.26/sf and Total Annual Effective Cost of \$323,004.00 @ \$15.76/sf.
- Comment: Funding will be 30% local and 70% federal.
- SSC Report: 1-14-08. Bob King summarized the transaction. Susanne Hilgadiak and Jerry Barlar stated the importance of the transaction and explain about how the funding is done through the local (County/City) and Federal Government. Staff referred to Sub-Committee with recommendation.
- SC Action: 1-22-08. At Charles Garrett's request, the item was deferred.
- Comment: Lease option for second ten year term: Annual Contract Rent of \$176,633.00 @ \$8.62/sf and Total Annual Effective Cost of \$227, 883.00 @ 11.12/sf.
- SSC Report: 02-19-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.
- SC Action: 02-25-08. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project to **Demolish Six Houses** located adjacent to Austin Peay State University, Clarksville, to facilitate the construction of new residential housing.

Estimated Project Cost: **\$190,000.00**
SBC Project No. *166/003-01-2008*

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Approved a request to demolish several structures located at the existing Cherokee Farm as part of the **Infrastructure Improvements** project at the University of Tennessee Knoxville campus.

Estimated Demolition Cost: \$50,000.00
SBC Project No. 540/009-04-2007

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration